



## **Secondary Disclosure Statement (Authorised Financial Adviser)**

Name and registration number of Authorised Financial Adviser:

Peter John Masterton West FSP Number: 64081

Physical address: 22-26 Main Street Upper Hutt

Postal address: PO Box 40190 Upper Hutt 5140

Trading name: Thorner Investment Services Limited

Telephone number: 04 5288088

Fax number: 04 5288838

Email address: peter@thorner.co.nz

This disclosure statement was prepared on 30 June 2011

### **Details of my company**

In 2011, Thorner Investment Services Limited registered as a Financial Service Provider. Its FSP number is 121545. I am the Senior Adviser and shareholder of Thorner Investment Services Limited. Thorner Investment Services Limited has one other director. Details of other directors and shareholders will be provided on request.

### **My experience and qualifications**

I have been providing 'financial adviser services' since 2010.

I have the following relevant qualifications:

- Diploma in Business Studies Endorsed Personal Financial Planning obtained in 2004
- New Zealand Stock Exchange Diploma obtained in 2000.

I have kept my 'financial adviser services' up to date by:

- Meeting the mandatory number of continuing professional development hours as per the continuing professional development guidelines issued by the Professional Advisers Association.
- Attending annual industry conferences.

- Attending various courses, workshops and webinars organised by Accredited Training Organisations.
- Reading widely.

In addition, as an AFA I am required to undertake the mandatory number of continuing professional development hours required by the Code of Professional Conduct for Authorised Financial Advisers.

### **How I operate**

When I provide financial adviser services, I follow the internationally recognised six step process as follows:

1. Establishing a client adviser relationship.
2. Gathering client information and determining the client's goals and objectives.
3. Analysing and evaluating the client's financial status, which may include financial situation, financial needs, financial goals and tolerance for risk.
4. Developing and presenting 'financial adviser services' recommendations and /or alternatives in writing.
5. Implementing the 'financial adviser services' recommendations.
6. Monitoring and reviewing the 'financial adviser services'.

At the first meeting with a client I will clearly explain the financial adviser services to be provided to the client and define both the client's and my responsibilities and how these services will be provided going forward. As part of this process, I will also explain the ongoing relationship and how decisions will be made in order to achieve the client's goals and objectives.

### **Services and products I provide**

I provide the following types of financial adviser services<sup>1</sup>:

1. Financial advice
2. Investment planning services
3. Discretionary investment management services.

I provide financial adviser services in the following subject matters:

- Cash management
- Retirement planning
- Investment panning
- Home equity release

## Products

I provide 'financial adviser services' in relation to the following types of financial products:

Savings and investment products	Complex products
<ul style="list-style-type: none"><li>• Direct shares, direct bonds (listed and unlisted)</li><li>• Managed funds including unit trusts, KiwiSaver, superannuation and Group Investment Funds</li><li>• Combined risk and savings</li><li>• Tax paid investment bonds</li><li>• Private equity and venture capital investments</li><li>• Bank deposits and bonus bonds</li><li>• Government stock</li></ul>	<ul style="list-style-type: none"><li>• Investing in derivative products such as options, swaps, futures, structured funds</li><li>• Geared products</li><li>• Investing in commodities (soft and hard)</li></ul>
Property investments	
<ul style="list-style-type: none"><li>• Home Equity Release</li></ul>	

## Product providers used

I have no restrictions in placing investments with any product provider. Details of investment products in respect of which I have a normal supplier relationship are provided under remuneration. When it comes to KiwiSaver, and insurance bonds, Thorner Investment Services Ltd have a contractual agreement with the product provider in order to place business with that provider. I have contractual agreements for the sale of these products with the following suppliers:

- Fidelity Life Assurance Company Limited
- OnePath (NZ) Limited
- Tower Managed Funds
- ASB Group Investments
- Grosvenor

## Fees payable by the client

The fees I charge will vary according to the nature of the services provided, as outlined below.

1. Fees for wrap service clients:

Type of fee	Maximum fee payable
Entry fee	An entry fee not exceeding 2% of the amount invested may be charged on certain investments.
Adviser annual monitoring fee	Maximum fee of 1% of funds invested including GST.
Hourly rate	I may charge an hourly rate of \$150 plus GST for any additional work which you may require.

All fees will be deducted from the client's Cash Transaction Account on the first business day of every month.

Fee rebates for wrap clients only: in many instances, commissions and trails paid by the investment product provider for the funds invested by the client will be credited to the client's Cash Transaction Account. It is my policy to rebate all commissions and trails for wrap clients.

**Note:** Please note that these are maximum fees I charge and a reasonable estimate of what fees you will pay. The correct fees applicable for each client will be clearly documented in writing in the Statement of Advice which I will provide to you.

**Other interests and relationships**

1. There is no contractual requirement, quota or agreement in place for Thorner Investment Services Ltd to recommend certain supplier products or services.
2. I via my company hold an agreement with Sovereign that states they would be a Buyer of Last Resort (BOLR) for the business that I have with them.

## Remuneration

I am remunerated as a shareholder and director of Thorner Investment Services Ltd primarily by salary. My company receives all commissions and client fees that are generated by me.

**Types of remunerations Thorner Investment Services Ltd receive are as follows:**

<b>Product provider</b>	<b>Amount or rate (Initial): (Max. initial commission as a % of each investment made)</b>	<b>Amount or rate (Ongoing): Max. Ongoing p.a. trail commission as a % of total value of investment</b>	<b>Arrangements to manage any conflict of interest</b>
<b>Investment products</b>			
<b>Asteron</b> P O Box 894 Wellington 6140 Phone: 0800 556065 <a href="mailto:contactus@asteron.co.nz">contactus@asteron.co.nz</a>  Guardian Retirement Plus* Saveguard Plus* Norwich Super Yield*  *Closed products	2.40% 2.50% 0.00%	2.50% 2.50% 2.50% (pre 8/93)  0.40%*account balance/365days (from 8/93) 2.50% - 3.50%	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<b>Fidelity Life</b> P O Box 37 275 Auckland 1151  Phone: 09 373 4914 <a href="http://www.fidelitylife.co.nz">www.fidelitylife.co.nz</a>  Fidelity KiwiSaver Scheme Power Saver (regular contributions) Power Super (regular contributions) Bonds (regular contributions)  Power Saver (Lump sum only) Power Super (Lump sum only) Bonds (Lump sum only)	\$30.00 Up to 5.00% Up to 5.00% Up to 5.00%  Up to 5.00% Up to 5.00% Up to 5.00%	0.25% 0.30% 0.30% 0.30%  Up to 1.00% Up to 1.00% Up to 1.00%	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<b>Fisher &amp; Paykel Finance Ltd</b> 31 Highbrook Drive East Tamaki Manukau 0800 651010  Debentures	Up to 1.125%	Nil	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<b>Grosvenor</b> P O Box 11 872 Wellington 6142  Phone: 04 473 0262 <a href="http://www.nzkiwisaver.co.nz">www.nzkiwisaver.co.nz</a>  KiwiSaver Scheme	\$30	0.50%	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.

<b>Product provider</b>	<b>Amount or rate (Initial): (Max. initial commission as a % of each investment made)</b>	<b>Amount or rate (Ongoing): Max. Ongoing p.a. trail commission as a % of total value of investment</b>	<b>Arrangements to manage any conflict of interest</b>
<p><b>One Path (NZ) Ltd</b> P O Box 7149 Wellesley Street Auckland 1141</p> <p>Phone: 0800 425737 <a href="http://www.onepath.co.nz">www.onepath.co.nz</a></p> <p><b>SIL KiwiSaver Scheme</b> Cash NZ Fixed Interest International Fixed Interest Conservative Conservative Balanced Balanced Balanced Growth Growth Australian Property International Property Australian Shares International Shares</p> <p><b>Private Portfolio Service</b> Mortgage Fund All other funds</p>		<p>0.15% 0.15% 0.15% 0.20% 0.20% 0.25% 0.25% 0.25% 0.25% 0.25% 0.25% 0.25%</p> <p>0-5% 0-5%</p>	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<p><b>Marac</b> 75 Riccarton Road Christchurch 8011 0800 520009</p> <p>Debentures</p>	0.25% to 2.00%	Nil	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<p><b>UDC Finance Limited</b> P O Box 91145 Victoria Street West Auckland 1142 Phone: 0800 652 832 <a href="http://www.udc.co.nz">www.udc.co.nz</a></p> <p>Debentures</p>	Nil	0.25%	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<p><b>Sovereign</b> Private Bag 93518 Takapuna North Shore 1332 Phone: 0800 500103 <a href="http://www.sovereign.co.nz">www.sovereign.co.nz</a></p> <p>Complete Investor Plan* Executive Superinvestor* Financial Independence Plan* Homeplan* Investor Plus* Maximum Investment Plan* Personal Superannuation Plan* Savings &amp; Protection Plan*</p>	<p>Up to 5.00% Up to 5.00% 0.00% 0.00% 0.00% - 5.00% 0.00% 0.00% 0.00% - 5.00%</p>	<p>2.50% to 4.00% 0.00% - 5.00% 0.00% - 5.00% 2.50% to 4.00% 0.00% - 5.00% 2.50% to 4.00% 2.50%, Trail 0.40% pa 2.50%, Trail 0.40% pa</p>	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.

<b>Product provider</b>	<b>Amount or rate (Initial): (Max. initial commission as a % of each investment made)</b>	<b>Amount or rate (Ongoing): Max. Ongoing p.a. trail commission as a % of total value of investment</b>	<b>Arrangements to manage any conflict of interest</b>
Sovereign Investment Bond* Sovereign Investment Bond-Super* Superinvestor* Vision* Superwise* Superlink* Lifewise* Lifelink*  *Closed products	Up to 5.00% Up to 5.00% Up to 5.00% Up to 5.00% 2.50% 2.50% 2.50% 2.50%	0.00% - 1.00% 0.00% - 1.00% 2.50% 2.50%, Trail 0.40% pa Nil Nil Nil Nil	
<b>Sovereign Services Limited</b> Private Bag 93 518 Takapuna North Shore 0740 Phone: 0800 653000 <a href="http://www.selectinvestor.co.nz">www.selectinvestor.co.nz</a>  Select Wealth Management  Investor Choice Superannuation Scheme  Income Generator NZ Bonds Portfolio Conservative Growth Balanced Growth High Growth Custom Built Portfolios	Entry fee up to 5%  Entry fee up to 5%	Up to 0.50% Up to 0.50% Up to 0.75% Up to 0.75% Up to 0.75% Up to 1.00%	Full disclosure of fees upfront, rebate all ongoing commissions for wrap clients, using third party research for product suitability.
<b>Sovereign and ASB Group Investments Limited</b> Private bag 93 518 Takapuna North Shore City 0740 Phone: 0800 272738 <a href="http://www.asb.co.nz">www.asb.co.nz</a>  FirstChoice KiwiSaver Scheme	Initial one off fee \$50.00  (only for members who invest wholly in the Tracker Funds and/or NZ Cash Investment Fund)	Adviser Service Fee 0.20%  (calculated on funds under management for those members who invest the Active Investment Funds and Global Sustainability Fund)	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts.
<b>Home equity release products (Lender)</b>	<b>Max. initial commission as % of a loan granted</b>	<b>Max. ongoing commission as % of a loan granted</b>	<b>Arrangements to manage any conflict of interest</b>
<b>Sentinel Limited</b> P O Box 33 1040 Takapuna North Shore 1332  Phone: 0800 867 645 <a href="http://www.sentinel.net.nz">www.sentinel.net.nz</a>	Initial loan \$200 plus 1.5% of borrowings  1.5% of borrowings for top up loans	Nil	I disclose all my commissions and fees upfront to the client; I pass on business that might create such conflicts. Denis Thorner who is a director of Thorner Investment Services Ltd is also a shareholder in Sentinel.

**Non-monetary benefits (soft dollar disclosure)**

From time to time, I may receive certain non-monetary benefits from product providers. This could include gratuities such as a bottle of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, subsidised professional development, discounted training courses or office supplies, etc.

**Professional memberships**

I am member of the Professional Advisers Association and, as a condition of my membership I comply with Professional Advisers Association Code of Ethics and Practice Standards in all facets of my practice.

**Professional Indemnity (PI) Insurance cover**

I and my company Thorner Investment Services are covered under a professional indemnity insurance policy. This policy includes the following covers: professional indemnity, public liability, employer’s liability, dispute resolution liability, and statutory liability.

This policy applies when I act in my professional capacity as an adviser providing ‘financial adviser services’. As with all insurances, these covers have limitations and are subject to certain exclusions, terms and conditions.

**Declaration**

I, Peter John Masterton West declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed:

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Date:

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Enclosure: Client acknowledgement

**Client acknowledgement**

I acknowledge receipt of the disclosure statement version 1 dated 30 June 2011 for Peter West and Thorner Investment Services Ltd.

Signed..... Date.....

Signed..... Date.....